

SIGAR

**Special Inspector General
for Afghanistan Reconstruction**

SIGAR'S AGENCY PROTOCOLS



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SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

Preface

SIGAR, in the course of its work, provides independent and objective oversight to promote the effectiveness and efficiency of funds provided for the reconstruction of Afghanistan and to prevent and detect waste, fraud, and abuse in reconstruction programs and operations. The protocols are intended to explain how SIGAR interacts with agencies in performing its work and to enhance SIGAR's working relationships with the executive branch agencies – primarily the U.S. Department of Defense, U.S. Department of State, and the U.S. Agency for International Development.

The protocols identify what the agencies can expect from SIGAR and what SIGAR expects of the agencies and to help ensure consistency, fairness, and transparency of interactions between SIGAR and the agencies with which it works. The protocols are based on the activities generally conducted during the work cycle, including communication between SIGAR and the agencies, interactions during the course of SIGAR's work, and follow-up on SIGAR's recommendations.



John F. Sopko
Special Inspector General of
Afghanistan Reconstruction

SIGAR's Statutory Responsibilities

SIGAR was established in 2008 (Public Law 110-181. Sec. 1229) to provide for independent and objective conduct and supervision of audits and investigations relating to the programs and operations funded for the purpose of reconstructing Afghanistan. SIGAR is also expected to provide independent and objective leadership and coordination of, and recommendations on, policies designed to promote economy, efficiency, and effectiveness and prevent and detect waste, fraud and abuse in such programs and operations and keep the Secretary of State and Secretary of Defense fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress on corrective action. The agency head of the Office of the Special Inspector General for Afghanistan Reconstruction is a Presidential appointee.

SIGAR is responsible for conducting, supervising, and coordinating audits and investigations of the treatment, handling, and expenditure of the programs, operations, and contracts carried out utilizing such funds, including:

- a) overseeing and accounting for the obligation and expenditure of such funds;
- b) monitoring and reviewing reconstruction activities funded by such funds;
- c) monitoring and reviewing contracts funded by such funds;
- d) monitoring and reviewing the transfer of such funds and associated information between and among departments, agencies, and entities of the United State and private and nongovernmental entities;
- e) maintaining records on the use of such funds to facilitate future audits and investigations of such funds;
- f) monitoring and reviewing the effectiveness of United State coordination with the Government of Afghanistan and other donor countries in the implementation of the Afghanistan Compact and the Afghanistan National Development Strategy; and

- g) investigating overpayments, such as duplicate payments or duplicate billing and any potential unethical or illegal actions of Federal employees, contractors, of affiliated entities and the referral of such reports, as necessary, to the Department of Justice or ensure further investigations, prosecutions, recovery of further funds, or other remedies.

Moreover, the Inspector General shall establish, maintain, and oversee such systems, procedures, and controls as the Inspector General considers appropriate. In carrying out the duties, responsibilities, and authorities, the Inspector General shall coordinate with, and receive the cooperation of the Inspectors General of the Department of Defense, Department of State, and the United States Agency for International Development.

SIGAR's Products

Three Directorates produce SIGAR's reports: (1) Audit and Inspection, (2) Special Projects, and (3) Research and Analysis Directorates.

Audit and Inspection Directorate

SIGAR's Audit and Inspection Directorate performs its audits and inspections in accordance with generally accepted government auditing standards (GAGAS) and Counsel of the Inspectors General on Integrity and Efficiency (CIGIE) *Quality Standards for Offices of Inspector General*, *Quality Standards for Inspection and Evaluation*, *Quality Standards for Investigations*, and SIGAR's policies and procedures.

SIGAR communicates the results of its audits and inspection work on reconstruction of Afghanistan by publishing its reports so that (1) it communicates the results consistently to all interested parties; (2) makes the results available to the public; (3) informs the Secretary of State and Secretary of Defense about problems and deficiencies relating to the administration of program and operations and makes recommendations for corrective action; and (4) facilitates follow-up and other communications to determine whether appropriate corrective measures have been taken when needed.

The Audit and Inspection Directorate produces the following types of products:

- Audit Reports: communicate the results of performance audits that are conducted in accordance with GAGAS and CIGIE quality standards. (Audit Reports include the suffix AR in the report number.)
- Financial Audit Reports: communicate the results of financial audits conducted by independent public accountants and are reviewed and monitored by SIGAR in accordance with GAGAS and CIGIE quality standards. (Financial Audit Reports include the suffix FA in the report number.)
- Inspection Reports: generally, these are independent evaluations, done in accordance with CIGIE *Quality Standards for Inspection and Evaluation*, of the extent to which facilities were constructed in accordance with contract requirements, used as intended, and sustainable. (Inspection Reports include the suffix IP in the report number.)
- Alert Letters: raise an issue or issues that need immediate attention and are intended to quickly notify an agency head of a problem that needs immediate action to prevent a health, safety, or security problem. Alert Letters are typically related to an ongoing audit or inspection and are usually publicly released. (Alert Letters include the suffix AL in the report number.)

Special Projects Directorate

The Special Project Directorate produces a variety of products that are short-term efforts. The products are intended to inform the agency about an issue(s) requiring immediate attention, obtain information on a specific issue, and/or communicate the results of work stemming from information provided by SIGAR's investigators, inspectors, auditors, or a hotline inquiry/complaint. Special Projects are not audits or conducted in accordance with GAGAS or CIGIE quality standards, and include the following types of products, which are all designated with the suffix (SP):

- Letter Reports – report the results of information garnered through targeted research on specific and/or narrow topics.
- Inquiry Letters – highlight an issue that requires the agency to produce answers in response.
- Alert Letters –point out an issue(s) that require immediate attention by an agency. Alert Letters issued by the Special

Project Directorate are generally not related to an ongoing audit or inspection and use the suffix SP¹.

- Fact Sheets, among other things, summarize the facts about program activities and/or expenditures
- Follow-Up Letters – based on responses received from an agency, SIGAR may send a follow-up letter(s) regarding a limited review, inquiry, alert, or fact sheet.

Due to the urgency of Special Project work, the Special Project Directorate generally does not provide prior notification to agencies or conduct entrance or exit conferences. In addition, agency views are not generally obtained in advance; however, SIGAR requests comments for some draft products. All special products are held for an embargo period (from 48 hours to 5 days) before being posted to the SIGAR web site. The embargo period is intended to provide the agency an opportunity to review and comment on the report in advance of public distribution.

Research and Analysis Directorate

The Research and Analysis Directorate produces SIGAR's Quarterly Report. This report, required by Public Law 110-181, summarizes Afghanistan reconstruction funding, SIGAR and other oversight agencies' work, and highlights reconstruction developments and issues for Congress, executive departments, and the public.

Communication between SIGAR and Agencies

SIGAR is committed to maintaining constructive and continuing communication with agencies and major components within agencies. These communications will take several forms, including as facts and circumstances warrant, meetings between SIGAR's Inspector General or the Deputy Inspector General and the heads of agencies and members of Congress to discuss areas of mutual concern.

¹ In contrast, an Alert Letter issued by the Audit and Inspection Directorate are generally related to an ongoing audit or inspection and use the suffix, AL.

Other forms of communication include periodic meetings with an agency's leadership and executives and specific communications with an agency pertaining to planned and ongoing work. Specifically, SIGAR meets quarterly with the Southwest Asia Joint Planning Group to discuss ongoing and planned oversight projects that directly affect efforts in Southwest Asia and surrounding areas. This group facilitates planning by de-conflicting planned work and mitigating potential duplication of efforts.

When SIGAR initiates audit and inspection work at any agency, the agency can expect that SIGAR will designate a primary point of contact that will be available throughout the work to respond to the agency's requests for information on the status of the work and to any concerns about the work's scope or approach. SIGAR expects the agency to designate a point of contact that is knowledgeable about the agency's relevant programs and organization and is able to facilitate SIGAR's ability to complete its work in a timely manner. Furthermore, the agency-designated central liaison or point of contact should be able to, among other things, set up necessary meetings (such as entrance, exit, and agency comment meetings), identify and ensure that SIGAR meets with the appropriate agency representatives, help resolve problems, and coordinate agency comments on any draft report that may results from the work.

Notification of Audits and Inspections

Before beginning any new audit or inspection work that requires SIGAR to seek information, data, or both, from an agency, SIGAR notifies the agency of the work to be undertaken. Prior to sending a notification letter to announce the work, SIGAR will email key stakeholders at the Inspectors General of Department of State; Department of Defense; U.S. Agency for International Development, Army Audit Agency; as well as the Government Accountability Office, to determine whether any conflict exists. After obtaining feedback from the key stakeholders, SIGAR will send a notification letter to the applicable agency and identify the

- the job code
- objectives and key questions of the work
- anticipated agency locations to be contacted and/or visited
- estimated start date of work

- timeframe for holding an entrance conference between SIGAR and the agency
- the point of contact for the work including email address and phone number

If the objectives of the work to be performed change significantly or if the location of the work needs to be modified, SIGAR will notify the agency—designated liaison or primary point of contact of these changes. Since Alert Letters are usually based on ongoing audit or inspection work, a separate notification is generally not sent to an agency prior to conducting the work.

Entrance Conference for Audits and Inspections

An entrance conference meeting is a meeting that SIGAR holds with agency officials at the start of audit and inspection work. The attendance of key agency officials, those responsible for the work related to the key objectives, at the entrance conference enhances the opportunity for a substantive exchange of information. SIGAR expects that an agency will arrange for its personnel to be available for an entrance conference no later than 14 days after receiving a request for a meeting.

At the entrance conference, SIGAR will discuss the roles and responsibilities of SIGAR staff, information needs, key objectives, sites where SIGAR expects to conduct its work, when known, and need for any precautions to protect that data and information. To the extent possible, SIGAR will also provide the agency with an estimate of how long the work will take. SIGAR staff will request that agency officials identify knowledgeable agency personnel and discuss the kinds of information that would be useful to carry the work's objectives. SIGAR will hold additional entrance conferences when work is begun in Kabul, Afghanistan. SIGAR may not always conduct separate entrance conferences for Alert Letters.

Exit Conference for Audits and Inspections

SIGAR holds an exit conference (in person or by telephone or video teleconference) with an agency after completing its data collection and analysis. The purpose of the exit conference is to confirm that the critical facts and key information used to formulate SIGAR's analyses and findings are current, correct, and complete. SIGAR officials responsible for the completion of the work will participate in the meeting. Agency officials who have oversight of the issues related to the work objectives are also expected to attend the meeting.

Written material prepared by SIGAR will be used to confirm the information and data that formulate SIGAR's findings. Observations, preliminary conclusions, and potential recommendations that flow from the factual information may be discussed but are not provided in writing. SIGAR may not always conduct separate exit conferences for Alert Letters.

Agency Comments for Audits and Inspections

For performance audits conducted in accordance with GAGAS, and inspections and alerts conducted in accordance with CIGIE and SIGAR policies and procedures, SIGAR provides responsible parties with an opportunity to review and comment on a draft of a report before it is issued. Responsible parties include agency officials and other directly affected parties that have responsibilities for the programs under review.

SIGAR expects an agency to provide a single position on the extent of their agreement or disagreement with key SIGAR findings, conclusions, and recommendations. For disagreement, the agency should provide its rationale.

The amount of time available for the agency to comment varies. When determining the amount of time available for comment, SIGAR will consider (1) the extent to which substantive discussions have already been held between SIGAR and the agency, (2) the length of time spent on the work, and (3) the amount of resources SIGAR and the agency have expected to answer the work's objectives. Using the

criteria, SIGAR established comment periods of 30 calendar days to comment, as shown in Table 1.1.

Table 1.1 Agency Comment Periods by Audit Product

Type of Product	Calendar Days
Performance Audit	30
Inspection	14
Financial Audit	14
Alert Letter	0-5

SIGAR grants an extension to the agency comment period when such an extension will likely result in a more accurate report. However, SIGAR reserves the right to issue the report if the comments are not received within the allotted time. SIGAR prefers that agencies provide written comments, and do so electronically. However, SIGAR will accept comments provided in hard copy, orally, or in an email message. When oral comments are provided, SIGAR will summarize them and provide a copy of the summary to the official to verify that the oral comments are accurately presented before finalizing the report.

Given the short time frame for obtaining comments for Alert Letters, SIGAR may not always obtain agency views.

Since SIGAR does not have classification authority for its reports, SIGAR will request that reports containing national security or sensitive information be reviewed by the agency and communicate the reviews' results in writing to SIGAR. Both the agency's classification review and comments on the draft report must be completed within the timeframe identified in SIGAR's email soliciting comments on the draft report.

Evaluation of Agency Comments

After receiving agency comments, either orally or in writing, SIGAR considers their substance, revises the draft report as appropriate, and indicates in the issued report whether the agency agreed or disagreed with SIGAR's findings, conclusions, and recommendations.

If the agency disagrees with SIGAR's findings, conclusions, and recommendations, SIGAR will accept further explanations from agency officials in support of the agency's position. However, any available documented evidence supporting this explanation must be provided simultaneously to allow for verification if it materially affects the content of the report. To the extent possible, SIGAR will seek to resolve disparate views. If unresolved, SIGAR will identify the disagreement in the final report and state its position. The agency's electronic or hard-copy written comments will be reproduced in the appendix to the issued report.

Follow-up on SIGAR Recommendations

Corrective action taken by agency management to resolve SIGAR findings and implement recommendations is essential to improve the effectiveness and efficiency of agency programs and operations. Agencies also have a responsibility to monitor and maintain accurate records on the status of recommendations.

For performance audits, SIGAR will follow up with appropriate agency officials to discuss the status of recommendation, obtain copies of agency documents support the recommendation's implementation, perform sufficient work to verify that the recommended actions are being taken, and, to the extent possible, that the desired results are being achieved.

Investigations

SIGAR's investigators typically focus on allegations of corruption, fraud, misconduct, contract and procurement improprieties, conflicts of interest, and ethics violations in programs related to operating in Afghanistan. Investigators seek evidence of wrongdoing either in conjunction with or independently of audits and inspections. SIGAR expects that agencies will promptly comply with requests for access to its records and to agency personnel directly involved with the matter under investigation.

Access to Agency Information

Prompt access to all records and other information associated with planning, conducting, and reporting work in a timely manner is essential. According to SIGAR's enacting legislation, no officer of the

Department of Defense, the Department of State or the United States Agency for International Development shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation related to amounts appropriated or otherwise made available for the reconstruction of Afghanistan or from issuing any subpoena during the course of any such audit or investigation.

Handling and Disclosing Information

SIGAR secures all information obtained during the course of its work. When SIGAR needs access to classified, or otherwise sensitive information, it will comply with all applicable statutory requirements.

Resolving Disputes over Access

Timely access to information is in the best interests of both SIGAR and the agencies. If SIGAR believes it is experiencing unreasonable delays in obtaining requested access, SIGAR officials will contact the agency's leadership for resolution. When there is difficulty in obtaining timely access to information that adversely affects either the completion of the work, its scope, or both, SIGAR's product will reflect that SIGAR had this difficulty. In addition, unreasonable delays in gaining access to an agency's information can reduce the time available for the agency to provide its views or comments on SIGAR's work.

According to SIGAR's authorizing legislation, whenever information or assistance requested by the Inspector General is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the Secretary of State or the Secretary of Defense, as appropriate, and to the appropriate congressional committees without delay.

Interaction with Congress

All communications with Congress, including members of Congress, congressional staff, and congressional committees, about SIGAR's ongoing and completed oversight work will be conducted through the Office of Congressional Relations and Government Affairs.

SIGAR proactively shares information about its ongoing and completed oversight work with members of Congress, congressional staff, and congressional committees to keep Congress apprised about how the agency is fulfilling its legislative mandate.

In responding to congressional inquiries about SIGAR's ongoing and completed oversight work, including audits, inspections, special projects, investigations, and alert letters, the Office of Congressional Relations and Government Affairs will coordinate with the appropriate SIGAR staff with expertise in the subject matter.

Press Policy

SIGAR works through its Office of Public Affairs to facilitate the free flow of news and information to the press and public. All contact with the media must go through the Office of Public Affairs.

Quarterly Report

SIGAR's quarterly reports to Congress comply with Public Law 110-181 by providing an update on reconstruction activities, including, but not limited to, obligations and expenditures of appropriated funds; discussions of U.S. government entities' contracts, grants, agreements, or other mechanisms; and funds provided by foreign nations or international organizations to programs and projects funded by U.S. government entities.

Approximately 75 days prior to the issuance of the next quarterly report, SIGAR's Research and Analysis Directorate (RAD) transmits draft data call questions to responding agencies. RAD then meets with each agency to discuss the data call. Following these meetings, SIGAR sends a formal email, which contains a copy of our legislative mandate, a letter from IG Sopko, the finalized data call questions, and any relevant attachments.

The agencies are expected to respond to these data call questions in full, and in the format requested (Excel for numbers-intensive responses, Word for narrative responses) by the suspense date indicated (typically the first day of the month the report is due for non-financial data, and the fifth day of the month for financial data). Any requested clarification on responses should be provided by the agencies as quickly as possible.

The RAD team then transmits a vetting draft of the report to the responding agencies around the seventh day of the month the report is due. RAD asks for any comments to be submitted by the agencies within five business days (this falls on a Friday for U.S. agencies, and the following Monday for those in Afghanistan). RAD subject matter experts and editors review any comments received to determine what to include in the final report.

Starting with the data call for the January 2014 Quarterly Report, SIGAR has asked agencies to submit classified material as well as unclassified material if classified material is essential to providing a complete response or to provide background guidance and context for accurate representation of unclassified information. SIGAR will also examine classified material to determine whether its duties require submitting a classified annex to its report to Congress, as provided in its authorizing statute.

The final report is issued on the 30th day of January, April, July, or October.